

# COOPERATIVE VEIL REVIEWED BY EXPERT

## Development of Plan on Sound Basis Is Practically Unlimited—Some Safeguards Outlined

By FREDERIC CULVER,  
President of Culver & Co.

In the early part of this year a panic seized the tenants in many apartment buildings in this city regarding their future housing situation. The question was whether or not they could renew leases falling due and, if they could, whether or not the increases in rent would be within their means. The psychological moment had then arrived which turned the attention of the owners of many of these buildings toward selling their properties to their tenants. How could this be done? The solution, through the medium of a joint ownership plan, called incorrectly in common parlance, "cooperative ownership."

The so-called cooperative movement in the erection and occupation of apartment buildings in this city regarding many years ago. In cases where several people who wanted to save rent by owning got together with apparently little knowledge on the subject and little organization, they shuffled along so to speak. A large and more ambitious project, under the name of The Navarro Apartments, consisting of the buildings called Madrid, Lisbon, Cordova, Barcelona, Saragossa, Granada, Toledo and Valencia, next appeared. How this project ever could have made headway is a mystery. It was financially built on foundations placed on quicksands and it failed. The losses were many were heavy.

There were several buildings of this type in existence prior to 1938 which were fairly successful, as The Knickerbocker, Fifth avenue and Twenty-eighth street; The Gramercy, 80 Madison avenue; 121 Madison avenue; The Barrington, East Twenty-fifth street; The Randolph, West Eighteenth street; The Hubert Association, West Fifty-ninth street; The Rembrandt, West Fifty-seventh street; The Chelsea, 222 West Twenty-third street.

**Look for These Essentials.**  
Let us see what are the essentials of a joint ownership building to be erected by a group of joint owners. The selection and purchase of the proper site; the knowledge to select the correct types of apartments to be created; the layout of the proposed floor plans by a housing expert; the selection of a wide experience in solving these problems; the ability to produce the building so economically that the apartments on completion may be rented at a price under market rates; and the abandonment of all factors of cost which do not add to practical and commercial success.

Only in exceptional cases should the mortgage on the premises be in excess of 50 per cent of cost. The interest should be as low as possible, with annual amortization of as near 3 per cent as the earnings will permit. Under these conditions the tenant owner can easily rely on a saving equivalent to from 12 per cent to 15 per cent per annum on the investment.

The constructor of such an operation should abandon any enterprise, even though salable, which will not conservatively show satisfactory savings for the owners. Such contractor must be con-

# DRY GOODS DISTRICT VERITABLE 'UTOPIA'

## Landlord and Tenant Smoked the Pipe of Peace as They Agreed on Rents.

By ALFRED R. KIRKUS,  
Secretary of the New York, Manhattan, Central and Colonial Real Estate Associations.

The "Old Dry Goods District" adjacent to Worth street was put on the map about sixty years ago by merchants who had been scattered from Park place down Broadway, &c., and the buildings were built and owned largely by these merchants and still today the district and many of them are still occupied by successors of the original settlers.

A large majority of the buildings were built fifty or more years ago, and while retaining the dignity and identity of that period, have been steadily improved and rejuvenated, and, while retaining sunlight and air from the store floor up, now have proper modern elevator service, heating and lighting.

Any doubts that at times have existed as to whether this district had "continued in life" have been completely dispelled during the past few years. These buildings are distinctive from the general area long hoped for activity in other sections of the city.

**Original Ownership Basis Revived.**  
There has been practically no buying for speculation. There has been more investment buying than for very many years, the majority of buildings being purchased by merchants who occupied, drop in price, the buildings, and the original basis of ownership is therefore revived in a most healthy and conservative way.

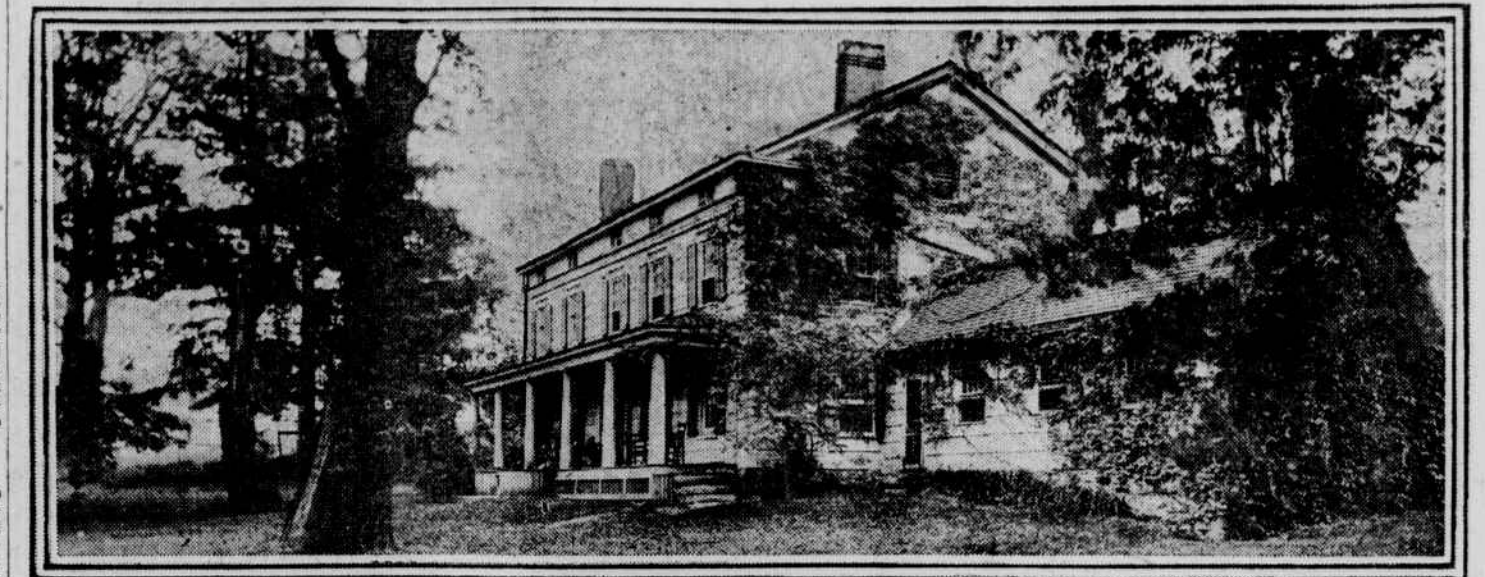
Probably the principal reason for the stability of this section has been the close, real friendship between the tenants and larger owners; the willingness to take a comparatively small but regular return on the investment rather than changing the ownership, and the temporary or varying conditions of business; to make or request reasonable improvements and repairs; to have tenants feel that even on short term leases they are getting the best of the deal, and, therefore, possible, over others and that their business place was also their business home, and the building up of a neighborhood feeling that is felt by landlord and tenant alike.

Even in the demand recently caused by the lack of new buildings, most owners in this district have thought more of stabilizing it than of getting the greatest possible rentals, and tenants have been appreciating this attitude by paying advances to fully cover increased expenses of maintenance, operation, &c., and frequently making, at their own expense, alterations and improvements to their premises because of their feeling of security in the permanence of their occupancy at a reasonable rental.

**District Was Called "Utopia."**  
I am proud to illustrate this by quoting from what was told me by one of our tenants. I had recently extended a lease that did not expire for two more years. I had explained to him increased expenses, taxes, operation, repairs, &c., and we had concluded our renewal on

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# Payne Whitney Buys Old Manhasset Home



This home of five generations of the illustrious Mitchell family at Manhasset, Great Neck, L. I., which includes thirty-two acres, with outbuildings, has been purchased by Payne Whitney to round out his estate, which now comprises about 400 acres. The house is a well preserved sample of the Colonial type of Long Island farmhouse built by the well to do residents of the north shore. The place was last occupied by Charles T. Miller and originally included 150 acres. Baker, Crowell, Inc., were the brokers.

# What World Trade Has Done for Shipping Centre

By WALTER B. PARSONS,  
of Wm. Cushman & Sons.

Business connected with shipping naturally sought the waterfront at the lower end of Manhattan Island in the early days of New York city. The western side, however, was chosen for the early days of the waterfront, the eastern side, however, was chosen for the residences of the wealthier citizens (many of whose names were given in my article on the Syrian quarter in the early part of last year) probably because of the prevailing westerly breezes across the cool surface of the Hudson in summer and also for protection from the severe easterly winds of winter.

So South street, which runs on the east of the island as well as the south end, got the shipping business. Here, even through the 80's, the tall vessels at the wharves created a forest of spars and rigging, out of which their jibsoms reached across South street almost into the offices of the ship brokers and shipchandlers, as if to see that the details regarding the incoming cargo or succeeding trip were being properly arranged by their captains and owners.

Here naturally came the various businesses having to do with shipping such as sail makers' riggers, warehouses and sailors' boarding houses of "shanghaiing" fame, which provided the sweet life and shore for those "before the mast" and has furnished so many stories for fiction as well as in real life. To many of such tales where fact and fiction were skillfully blended by the writers, we have listened with eager attention when a boy in the "fo'c's'le" of the vessels sailed by my father, Capt. Charles B. Parsons, who later was the late ship broker on South street and still later president of the Maritime Bank, which was in Wall street and is now the home of the National City Bank.

When the bank remodeled the building retained the appearance of the old Custom House in the Wall street front. The streets directly south of the Custom House are rapidly being improved with modern buildings for the steamship business, among the most notable of which is the new building at the southeast corner of Whitehall and Pearl streets. The big Whitehall Building, at 77 East Whitehall place, housed all kinds of businesses allied to shipping and harbor interests, and so did the big Bowling Green Building at 11 Broadway. No. 1 Broadway, formerly the Washington Park Exchange, and the new building at the corner of Wall and Water streets, extending from the block to Beaver street. The Federal Sugar Refining Company recently bought the large twelve story Tontine Building at the northwest corner of Wall and Water streets.

**Still Retains Early Impress.**  
Of the various businesses that had to do with shipping, the most notable was the one which remained, segregated in that immediate neighborhood, coffee on Front and Water streets, tobacco on Water, Front and Pearl streets and that part of Maiden lane near Pearl street and the old building at the corner of Wall and Pearl streets near the intersections of these streets. The indications are that these interests will remain there for some time to come. The Coffee and Sugar Exchange Building at Hanover square and Pearl street, extending from the block to Beaver street. The Federal Sugar Refining Company recently bought the large twelve story Tontine Building at the northwest corner of Wall and Water streets.

**Details of Cunard Building.**  
The most notable improvement in this section is the twenty-three story Cunard Building at the corner of Wall and Water streets. This building has a rentable area of about 30,000 square feet and is rented to not more than one tenant. Leases are made for not less than twenty years at a price of from \$1 to \$3.50 a square foot. This means that each floor brings in about \$100,000 annually. It is practically new, though the building is far from completion. In the next block north, the old Hamburg-American Line Building is occupied by the United States Shipping Board. I have included the latter, although its usefulness as a shipping world has been subject to dispute. The Harriman steamship interests have just bought the Gaston, Williams & Wigmore improvement at 35 to 39 Broadway.

**Occupants of the Rear Tier.**  
Further back from the waterfront the marine insurance people are closely grouped in William, Beaver, South William and Stone streets, around the old Delmonico restaurant, now converted to the use of these interests. Values have risen here to around \$75,000 for the cheapest and \$150,000 for inside units and disproportionately more for the choicest corners. Immediately across the street the large building, without the Cotton Exchange and the offices of its brokers in the immediate neighborhood are the only evidences of that business left in this district.

With the decline of sailing vessels the sailmakers, riggers, ship chandlers and sailors' boarding houses followed. The modern building of the Seamen's Institute, which now stands at the corner of South street and Coenties (formerly known as Quincey) Slip, marks a distinct advance over the attractions formerly offered by the boarding houses and saloons that lined the waterfront and whose "schooners" have also passed. The warehouses have remained distributed over the entire district on the less valuable streets. The towboat companies now have their offices concentrated from South street to Broadway, for they are the greatest mixers in the world, as a moment's reflection will show. They do business with almost anything that floats, from pulling a raft of logs or saws with a choice cargo of refuse bound for Barren Island, to fusily assisting into its berth an aristocratic leviathan of the transatlantic lanes bringing ambassadors and ministers from foreign courts. The ship brokers moved west with a ten-

# REAL ESTATE NEWS, NOTES AND GOSSIP

## Newly Formed Holding Co. Acquires Seven Apartment Houses on East 56th Street

The seven six story apartment houses with stores at 5247, 5249, 5251, 5253, 5255, 5257 and 5259 East 56th street, erected several years ago by Joseph Golding, have been acquired from the Winston Realty Company by the Sharpton Holding Corporation, recently formed. It has a capital of \$100,000 and M. Rapaport, M. Schachnow and A. Gross as directors. The structures stand on a plot 27.5x141.4x irregular lot located at the First and Second avenues. They carry mortgages for \$250,125.

Another acquisition by the Sharpton company involves the vacant site, 50x150, at 148-148 Manhattan street, near Broadway. This was transferred by M. Murray Peshkin.

**Other Deals in Manhattan.**  
Van Vleet & Place sold for the Carr estate its unexpired twenty year lease of the plot 103x150 at 848-856 Washington and 448-450 West Thirtieth streets, on which there is a five story store and loft on Washington street and a three story building and one story garage on Thirtieth street. The es-

tate interest was sold to Paul Elchhorst the three-story dwelling at 433 East Eighty-eighth street, 22x100.8.

**Brooklyn Transactions.**  
Norman Home Builders, Inc., sold three more of the row of dwellings erected on the west side of Sedgwick avenue, south of 229th street, to Morris Josephson, Benjamin Josephson and Lena Goldstein. Each house is 25x112.

Mollie R. Fisher sold to Fannie Mirchin the two-story dwelling on plot 50x112 at 1339 Intervale avenue.

**Manhattan Transactions.**  
The three-story dwelling at 297 East 125th street, formerly the home of the late Commodore E. C. Benedict, is to be taken over by the 10 West Fifty-first Street Company, owned at Albany, N. Y., by F. Baum, L. L. Collins and M. Wieder as directors.

Froman & Taubert sold to Louis Stoussis a three-story dwelling at 1339 Intervale avenue, south of 229th street, to Morris Josephson, Benjamin Josephson and Lena Goldstein. Each house is 25x112.

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